

ASSEMBLY BILL

No. 946

Introduced by Assembly Member Butler

February 18, 2011

An act to amend Section 279 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 946, as introduced, Butler. Property tax exemption: principal residence: veterans and their unmarried surviving spouses.

Existing property tax law provides, pursuant to the authorization of the California Constitution, for the exemption from property taxation of the principal residence of a disabled veteran, a veteran's spouse, and the unmarried surviving spouse, in the case in which the veteran has, as a result of a service-connected disease or injury, died while on active duty in military service. Existing law provides when that property becomes eligible for that exemption and also provides when that eligibility terminates.

This bill would make technical, nonsubstantive changes that would consolidate the provisions relating to the date when property becomes eligible for the disabled veterans' exemption, and would make other conforming changes. This bill would also make other clarifying changes, including clarifying that the exemption terminates for a unmarried surviving spouse of a disabled veteran when that surviving spouse remarries.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 279 of the Revenue and Taxation Code is amended to read:

279. (a) *Subject to the provisions regarding cancellations and the limitation periods on refunds, property becomes eligible for the disabled veterans' property tax exemption, as described in Section 205.5, as of:*

(1) *The effective date of a disability rating, as determined by the United States Department of Veterans Affairs, that qualifies the claimant for the exemption.*

(2) *The date a qualified claimant purchases a property that constitutes the principal place of residence, provided residency is established within 90 days of purchase.*

(3) *The date a qualified claimant establishes residency at a property owned by the claimant or the spouse, as specified in subdivision (a) of Section 205.5.*

(4) *The date the veteran died, as a result of a service-connected injury or disease, in the case where the unmarried surviving spouse is the claimant.*

(a)

(b) A claim for the disabled veterans' property tax exemption described in Section 205.5 filed by the owner of a dwelling a qualified claimant, once granted, shall remain in continuous effect unless any of the following occurs:

(1) Title to the property changes.

(2) The owner does not occupy the dwelling as his or her principal place of residence on the lien date.

(A) If a veteran is, on the lien date, the claimant is confined to a hospital or other care facility but principally resided at a dwelling immediately prior to that confinement, the veteran claimant will be deemed to occupy that same dwelling as his or her principal place of residence on the lien date, provided that the dwelling has not been rented or leased as described in Section 205.5.

(B) If a person receiving the disabled veterans' exemption is not occupying the dwelling on the lien date because the dwelling was damaged in a misfortune or calamity, the person will be deemed to occupy that same dwelling as his or her principal place of residence on the lien date, provided the person's absence from the dwelling is temporary and the person intends to return to the

1 dwelling when possible to do so. Except as provided in
2 subparagraph (C), when a dwelling has been totally destroyed, and
3 thus no dwelling exists ~~on the lien date~~, the exemption provided
4 by Section 205.5 is not applicable until the structure has been
5 replaced and is occupied as a dwelling.

6 (C) A dwelling that was totally destroyed in a disaster for which
7 the Governor proclaimed a state of emergency, that qualified for
8 the exemption provided by Section 205.5 and has not changed
9 ownership since the disaster, will be deemed occupied by the
10 person receiving a disabled veterans' exemption ~~on the lien date~~
11 provided the person intends to reconstruct a dwelling on the
12 property and occupy the dwelling as his or her principal place of
13 residence when it is possible to do so.

14 (3) The property is altered so that it is no longer a dwelling.

15 (4) The veteran is no longer disabled as defined in Section 205.5.

16 (5) *The unmarried surviving spouse claimant remarries.*

17 ~~(b)~~

18 (c) The assessor of each county shall verify the continued
19 eligibility of each person receiving a disabled veterans' exemption,
20 and shall provide for a periodic audit of, and establish a control
21 system to monitor, disabled veterans' exemption claims.